

## Message Text

LIMITED OFFICIAL USE

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ACTION TRSE-00

INFO OCT-01 ARA-10 ISO-00 EB-08 OIC-02 AID-05 CIAE-00

COME-00 FRB-03 INR-10 NSAE-00 ICA-11 XMB-02

OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15

STR-07 CEA-01 /091 W

-----081876 120226Z /75

R 111340Z APR 78

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 7051

LIMITED OFFICIAL USE BRASILIA 2896

PASS TREASURY

EO 11652: /A

TAGS: BAID, IDB, BR

SUBJ: IDB ANNUAL MEETING

REF: A) STATE67138, B) BRASILIA 2222

1. FINANCE MINISTRY HAS INDICATED THAT WHILE MINISTER SIMONSEN  
WOULD LIKE TO SPEAK WITH ASSISTANT SECRETARY BERGSTEN IN  
VANCOUVER HE WOULD PREFER NOT TO HAVE A PREDETERMINED AGENDA  
OF SUBJECTS.

2. EMBASSY SUGGESTS THAT MEETING BE SCHEDULED FOR MONDAY OR  
TUESDAY APRIL 17 OR 18, AND THAT ASSISTANT  
SECRETARY BERGSTEN USE OCCASION TO PURSUE ISSUE OF BRAZILIAN  
EXPORT SUBSIDIES AND U.S. COUNTERVAILING DUTIES. IN RECENT  
WEEKS SIMONSEN HAS STATED PUBLICLY AND IN CONVERSATION WITH  
EMBASSY OFFICER THAT GOB WOULD BE PREPARED TO PHASE DOWN  
SUBSIDIES AT RATE OF 4 PERCENTAGE POINTS PER YEAR OVER THE NEXT  
FIVE YEARS IF MTN COULD PRODUCE SUBSIDIES/CVD CODE WITH AN  
INJURY CLAUSE. DISCUSSION OF U.S. AND GOB POSITIONS COULD HELP  
SET STAGE FOR PRODUCTIVE MEETING OF SUBGROUP ON TRADE IN BRASILIA  
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IN MAY.

3. SUBJECTS THAT SIMONSEN MAY RAISE INCLUDE PENDING U.S.  
DECISIONS ON: A) GRANDFATHERING OF TAX CREDIT FOR BRAZILIAN  
TAX ON INTEREST REMITTANCES IN CONNECTION WITH LOANS MADE  
PRIOR TO RECENT REDUCTION IN TAX CREDIT; B) POSSIBLE INTEREST  
OF U.S. IN FURTHER DISCUSSIONS OF A PARTIAL OR LIMITED BILATERAL

TAX CONVENTION; C) DISPOSITION OF COMMENTS AND SUBSEQUENT  
IMPLEMENTATION OF FOREIGN LENDING BY U.S. BANKS.

4. SIMONSEN MAY ALSO INQUIRE ABOUT PROSPECTS FOR CONGRESSIONAL  
APPROVAL OF U.S. SUBSCRIPTIONS AND CONTRIBUTIONS TO THE IDB.  
IN TURNN EMBASSY SUGGESTS THAT U.S. SIDE MIGHT URGE BRAZIL  
TO TAKE FURTHER STEPS IN IDB TOWARD A MORE MEANINGFUL DONOR  
ROLE BY INCREASING ITS CONVERTIBLE CURRENCY CONTRIBUTION TO  
THE FSO IN THE NEXT REPLENISHMENT. BERGSTEN COULD ALSO  
USE OCCASION TO NOTE BELATED GOB ACTION ON IMF SECOND  
AMENDMENT AND SIXTH QUOTA INCREASE AND TO URGE MORE EXPEDITIOUS  
ATTENTION TO THE WITTEVEEN FACILITY PROPOSAL AND TO THE UPCOMING  
SEVENTH QUOTA INCREASE.

JOHNSON

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, DEVELOPMENT BANKS, MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BRASIL02896  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780156-0811  
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**From:** BRASILIA  
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**Litigation History:**  
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**Message ID:** b85120b3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 67138, 78 BRASILIA 2222  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3014588  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IDB ANNUAL MEETING  
**TAGS:** EAID, BR, IDB  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014